

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3010

ANSWERED ON:11.03.2003

FRESH LINKAGE OR RESTORATION OF SNAPPED LINKAGE

NARESH KUMAR PUGLIA

Will the Minister of COAL be pleased to state:

- (a) whether the Coal India Limited (CIL) has taken a decision not to grant any fresh linkage or restoration of snapped linkages;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the subsidiary companies of CIL are authorized to formulate their own system/procedure for sale of coal to non-core sector consumers;
- (d) if so, whether the South Eastern Coalfields Limited (SECL) has since formulated its sale policy regarding sale of coal to non-core sector consumers and the said sale policy has become functional;
- (e) if so, the details thereof and the salient features thereof;
- (f) the quality of coal is offered for sale by SECL under open sale scheme and the conditions attached to such type of sale;
- g) whether the CIL propose to review its decision of non restoring the snapped linkages;
- h) if so, the details thereof; and
- i) if not, the reasons therefor?

Answer

THE MINISTER OF COAL (SHRI KARIYA MUNDA)

(a)&(b): Yes, Sir. In pursuance to the decision taken by CIL Board in its meeting dated 6.6.2001 it was decided that sale of coal to non-core sector through the system of linkage/sponsorship was to be done away with. Accordingly grant of fresh linkage and restoration of linkage to non-core sector has been discontinued. Also there is no provision/scope either for CIL or Coal companies to issue fresh linkage, revival/restoration of snapped/lapsed linkages or to effect any change in the linkage already issued for the consumers in the non-core sector.

Ministry of Coal, subsequent to the above decision taken by the Coal India Limited Board on 6.6.2001, has formulated the new coal sales policy for non core in January, 2003. Under this policy, the existing linkages other than snapped and verified and found genuine cases can be restricted only to the present level of Maximum Permissible Quantity (MPQ). However, additional quantities of coal subject to availability can be offered based on a more even-handed system of Fuel Supply Agreements (FSAs).

Except the MPQ quantity now being made available to linked consumers, there will be no other loose linkages. Consumers wanting coal in addition to their MPQ, consumers wanting coal beyond the old linkages and new consumers wanting coal are all to be treated alike and are to be allowed to enter into FSAs with the coal companies.

(c), (d) and (e): Yes, Sir. The CIL board in its meeting dated 6.6.2001 also decided to authorise the subsidiary companies to evolve their system/procedure for sale of coal to consumers of non-core sector. Subsequently the non-core coal sale policy formulated by the Ministry of Coal has been made applicable to CIL and its subsidiaries, including SECL. The modalities on the implementation are being worked out by CIL.

(f): Coal is offered for sale under Open Sales Schemes (OSS) of different grades falling in non-coking coal category varying from 'B' to 'F' whenever surplus availability exists after meeting the demand of core sector and regular non-core sector consumers. Booking is accepted on first-come-first-served-basis as provided in the OSS with a stipulation for pro-rata allocation on the opening day of booking whenever booking is more than the offered quantity, with the due approval of competent authority for smooth operation and to avoid any law and order problem. In case booking on the first day is less than the offered quantity, booking is accepted subsequently on first-come-first-served-basis.

(g): Coal subsidiaries, at present, do not propose reviewing of restoration of snapped linkages.

(h) & (i): Do not arise in view of reply given at (g) above.

